

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Authorization: (1) to Replace San Onofre Nuclear Generating Station Unit Nos. 2 & 3 (SONGS 2 & 3) Steam Generators; (2) Establish Ratemaking for Cost Recovery; and (3) Address Other Related Steam Generator Replacement Issues.

Application 04-02-026
(Filed February 27, 2004)

**ADMINISTRATIVE LAW JUDGE'S RULING DENYING REQUESTS TO
REOPEN THE RECORD FOR THE LIMITED PURPOSE OF RECEIVING
SPECIFIED DOCUMENTS INTO EVIDENCE**

On June 28, 2005, Southern California Edison Company (SCE) filed a motion to accept the gas price forecast set forth in Advice Letter (AL) 1878-E into the record. AL 1878-E was filed on March 25, 2005 pursuant to Ordering Paragraphs 1 and 24 of Decision 04-12-048. It contains SCE's gas price forecasts for 2005 through 2014.

On July 13, 2005, California Earth Corps (CEC) filed a motion to reopen the record for the limited purpose of receiving into the record the executive summary of a document entitled "Safety and Security of Commercial Spent Nuclear Fuel Storage: Public Report" prepared by the National Academy of Sciences. The report addresses potential safety and security risks of spent fuel storage at commercial reactors, and potential remedies.

Responses to SCE's motion were filed jointly by the Cogeneration Association of California and the Energy Producers and Users Coalition (Coalition). Responses were also filed by The Utility Reform Network (TURN), the Office of Ratepayer Advocates (ORA), San Diego Gas and Electric Company (SDG&E), and CEC.

The Coalition did not object to SCE's motion provided that certain updates are allowed in other proceedings. Such updates are beyond the scope of this proceeding.¹

TURN does not object to SCE's motion provided that the Commission directs SCE to provide the parties with cost-effectiveness model runs that incorporate changes previously proposed by TURN and other parties. I note that such model runs would have no evidentiary value because they would not be in the record. To include them in the record, the parties would have to file the appropriate motions after receipt and review of the results.²

ORA opposes SCE's motion. It states that if the motion is granted, other information in the record would also have to be updated. ORA also points out that SCE presented a very different and lower gas price forecast in a June 20, 2005 workshop in Rulemaking 04-04-026.

SDG&E opposes SCE's motion, and states that if it is granted, SCE's entire cost-effectiveness showing should be updated.

¹ The Cogeneration Association of California and the Energy Producers and Users Coalition have not been active parties in this proceeding.

² TURN notes that SCE went to some length in its reply brief to convince the Commission that no more model runs should be performed, and that this proceeding should be decided on the existing record.

CEC opposes SCE's motion, and agrees with TURN's response. CEC also states that if the motion is granted, other parties should be allowed to move other information into the record as demonstrated by CEC's motion.

Only SCE filed in opposition to CEC's motion. SCE states that it opposes the motion because the document CEC seeks to introduce is speculative, not new, and has already been referenced in the record.

The Commission has in the past allowed additional information into the record without the opportunity for further hearings where the information was non-controversial and readily verifiable. The Commission has also determined that additional information that is subject to varying interpretation and legitimate challenge cannot be resolved outside the hearing process where the parties and the Commission can test the credibility, reliability, completeness and accuracy of the information. In this case, SCE's gas price forecast is neither non-controversial nor readily verifiable. Therefore, I find no basis for allowing SCE's gas price forecast to be updated without, at the very least, allowing other parties to update their showings concerning gas price forecasts.

The gas price forecast is not the only issue in this proceeding. I find nothing unique about the gas price forecast that would warrant treating it differently than other issues. Therefore, if gas price forecasts are to be updated, there is no reason that information on other issues should not also be updated by other parties. In addition, it would likely be necessary to require SCE to update its entire showing to incorporate other more recent developments that may be relevant. In order to allow updates by other parties, I would likely have to require SCE to perform additional model runs for the parties.

Updates by SCE and/or the other parties of their showings on gas prices and/or other issues would likely necessitate additional hearings and briefs. In

the time required to do the updates, hearings, and briefs, there could be additional events, such as additional gas price forecasts, refueling outages, etc. that arguably would require further updates. In short, granting SCE's motion could delay resolution of this proceeding indefinitely. At some point, notwithstanding continuing developments, the record must be closed and the matter submitted for decision. That point has been reached in this proceeding. These reasons are sufficient to deny SCE's motion. The same logic applies to CEC's motion, and warrants its denial.

AL 1878-E presents gas price forecasts through 2014 rather than 2022, which is the period covered by the application. Therefore, even if it were to be accepted into the record as requested, it could not be used to calculate the cost-effectiveness of the steam generator replacement project because it is incomplete. In addition, SCE's presentation of a different gas price forecast in the June 20, 2005 workshop demonstrates that the forecast in AL 1878-E is not SCE's most recent forecast.³ Either of these facts is sufficient to warrant a denial of SCE's motion.

SCE could have presented more recent forecasts prior to the close of the evidentiary hearings, but chose not to do so. SCE argued in its reply brief that: "The time for adding evidence to this already full record is past."⁴ SCE was correct.

For all of the above reasons, I will deny the motions.

³ The workshop forecast covers 2005 through 2014, and is very different curve from the forecast in AL 1878-E.

⁴ SCE Reply Brief, p. i.

THEREFORE, **IT IS RULED** that:

1. The June 28, 2005 motion of Southern California Edison Company to reopen the record for the limited purpose of receiving into evidence the gas price forecast set forth in Advice Letter 1878-E is denied.
2. The July 13, 2005 motion of California Earth Corps to reopen the record for the limited purpose of receiving into evidence the executive summary of a document entitled "Safety and Security of Commercial Spent Nuclear Fuel Storage: Public Report" prepared by the National Academy of Sciences is denied.

Dated September 30, 2005, at San Francisco, California.

/s/ JEFFREY P. O'DONNELL

Jeffrey P. O'Donnell
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Denying Requests to Reopen the Record for the Limited Purpose of Receiving Specified Documents into Evidence on all parties of record in this proceeding or their attorneys of record.

Dated September 30, 2005, at San Francisco, California.

/s/ JANET V. ALVIAR

Janet V. Alviar

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.